

Appendix III: Project Finance Committee

1 *PPM No. 61*

Louisiana Department of Transportation and Development Secretary's Policy and Procedures Memorandum

PPM No: 61	Subject: Establishment of DOTD Project Finance Committee (PFC)
Effective Date: October 1, 2003	Revision Date:

Instructions: This memorandum supersedes all other memoranda and manuals.

1. PURPOSE AND SCOPE

This policy will establish the DOTD Project Finance Committee (PFC). It will be a standing committee for the purpose of advising and making policy recommendations to the DOTD Secretary and Executive Committee on all aspects of project finance and budget, including annual program budget partitions, revenue projections, revenue enhancements, innovative financing alternatives, including but not limited to, bonds and tolls, means and impacts of funding major projects, and both short term and long range fiscal planning for projects. The PFC is the operating entity of the Department charged with the responsibility to accomplish the tasks of the program & project finance committee.

2. OBJECTIVE

The objective is to provide DOTD with an integrated Capital Outlay Management and Decision Support Structure for program and project budgeting and accounting that will facilitate control of scope, schedule, and quality. DOTD's program and project finance system will fulfill this objective by facilitating or providing the following:

Management of capital outlay funding sources including federal, state, and others.

Management of the timing of expenditures and revenues to control cash flow requirements.

Coordination of budgets, expended amounts, and schedule of obligation requirements.

Identification of all expected project costs in the budget process.

Management and accountability of project scope throughout the lifecycle of the project.

Identification of the amounts and reasons for changes in projected costs for a project throughout its lifecycle.

Timely updates to project budgets as additional cost items are known.

Access to budget and accounting information by program and project managers to enable them to be accountable for delivering projects and programs in accordance with budgets, scopes, and schedules.

Access to program financial information to enable senior executives to anticipate program and project problems and evaluate the impacts of potential solutions to those problems.

2. COMMITTEE

The Undersecretary, Office of Management and Finance, shall chair the PFC that will be comprised of the following members:

Contract Services Administrator (Chief Engineer's designee)

Transportation Planning Administrator

Budget Section Administrator

Budget Section Capital Outlay Manager

Project Control Administrator

Accounting Section Administrator

Preservation Program Manager

Operations Program Manager

Safety Program Manager

Capacity Program Manager

FHWA Financial Manager

3. OPERATING PROCEDURES

The complete operating procedures of the PFC are contained in the Program & Project Finance Standard Operating Procedures (SOP). The specific duties of the PFC are outlined phase by phase in the SOP.

4. POLICIES

Prior to establishing or revising agency policies pertaining to program & project finance, proposed revisions will be presented to the DOTD SIPIC for review and approval.

5. MEETINGS

The PFC shall typically meet on the first and third Thursdays of each month. Additional or fewer meetings shall be held at the discretion of the Chairman. An agenda (see page III-4) for each meeting will be prepared by the PFC Secretary and delivered to the members of the committee at least 2 working days prior to each meeting. The Committee may also invite additional staff to present information pertaining to individual agenda items on an as-needed basis.

6. DELIVERABLES

Financial policies and procedures to support improved project budgeting, accounting, and reporting.

A data warehouse to integrate project financial information to meet the reporting and analysis needs of management and staff.

Improved project budgeting procedures to provide more inclusive and realistic budgets with improved tracking of changes for improved accountability.

Linkage of projects to programs to provide an assessment of how program funds are spent.

Improved management reports.

The PFC provides reports as needed to the Secretary and Executive Committee.

The PFC produces the budget partition report.

The PFC provides management with a total program summary organized by budget (sub-program preservation, safety etc.) partition and work function. Management uses this summary to certify to FHWA that a program is financially constrained.

Other proposed spending that is not project related.

Agreements with financial obligations.

7. DOCUMENTATION

The proceedings of each committee meeting will be duly recorded by the PFC secretary and copies distributed to each committee member. A specific recommendations memorandum will be prepared as well as other required PFC deliverables as outlined in the program & project finance SOP. This documentation may become is subject to review and discussion by the SIPIC and ultimately will be submitted to the Secretary for approval.

2 *PFC Meeting Format*

I. Review of Revenue Projections

Report #1: TTF (from Patty Parsons)

II. Review of Cash Balances

Report #2: Federal Funds (from Terry Cormier)

Report #3: State Funds (from Eric Burgess)

Report #4: TIMED Funds (from LTM and Patty)

Report #5: GO Bonds (from Bob Hamilton)

Report #6: DEMO

III. Review Previous Month Letting List and Next Month Letting List

Report #7: Project Letting Recap (Stage 4) (from Robin)

IV. Review Stage 0-3 Encumbrances

V. Review Project Budgets by Exception

Report #8: Project Budget Change (Doesn't exist) (PPMS)

VI. Review Stage 5 Expenditures, Encumbrances and Plan Changes, Close Outs

VII. Prepare Monthly Checkbook Balance and Secretary's Recommendation Report

VIII. Extra Agenda Items from Calendar (see Appendix C)

3 PFC Calendar of Tasks (To Be Published)

	Stage 0	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						